

**Asian Oilfield and Energy Services DMCC**  
Dubai – United Arab Emirates  
**Manager's Report and Financial Statements**  
**Together with Independent Auditor's Report**  
**For the year ended 31 March 2024**

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+971 4 570 7357

info@bsauditing.com www.bsauditing.com

P.O. Box 111390 – Dubai United Arab Emirate

**Asian Oilfield and Energy Services DMCC  
Manager's Report and Financial Statements  
Together with Independent Auditor's Report  
For the year ended 31 March 2024**

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**Asian Oilfield and Energy Services DMCC**

**Dubai – United Arab Emirates**

**Company's Information**

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<b>Licensing Authority:</b>	Dubai Multi Commodities Centre Authority
<b>Registered Address:</b>	Unit no. 118, DMCC Business Centre, Level no. 5, Jewellery and Gemplex 2, Dubai, United Arab Emirates
<b>Principal Activities:</b>	Onshore and offshore oil and gas fields services
<b>Manager:</b>	Mr. Vincent Dsouza
<b>Independent Auditor:</b>	Bader Saleh Auditing of Accounts Office No.: 404, Office Court Building, Oud Metha, P.O. Box: 111390, Dubai, United Arab Emirates
<b>Banker:</b>	Emirates NBD

**Asian Oilfield and Energy Services DMCC**  
**Dubai – United Arab Emirates**  
**For the year ended 31 March 2024**

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**MANAGER'S REPORT**

I have pleasure in presenting this report and the audited financial statements of Asian Oilfield and Energy Services DMCC (“the Company”) for the year ended 31 March 2024.

**Legal status and principal activities of the company**

The Company was registered on 27 August 2012 as a Free Zone Company with Limited Liability and operates under the Service License No. DMCC-32446 issued by the Dubai Multi Commodities Centre Authority, Government of Dubai, Dubai, United Arab Emirates.

The principal activities of the Company under license are onshore and offshore oil and gas fields services. Management and controls of the Company are vested with the Manager, Mr. Vincent Dsouza.

The registered address of the Company is Unit no. 118, DMCC Business Centre, Level no. 5, Jewellery and Gemplex 2, Dubai, United Arab Emirates.

**Financial results of the company**

The net loss of the Company for the year ended 31 March 2024 was amounted to USD 571,549 (2023: USD 4,735,349). The detail results of the Company’s operations are set out in the statement of comprehensive income.

	<b>31 March 2024</b>	31 March 2023
	<b>USD</b>	USD
Net asset value	<b>196,030</b>	555,778
Working capital	<b>(280,682)</b>	(233,021)
Current ratio	<b>0.79</b>	0.96

**Management’s responsibility**

As a Manager of the Company, I am responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the DMCC Company Regulations No. (1/03) and for such internal control as I determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I am also responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Company and to ensure that the financial statements comply with any applicable legislation. I am also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that the Company has complied with the above requirements in preparing the financial statements.

**Events after year end**

In the opinion of the Manager, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Company.



**Asian Oilfield and Energy Services DMCC**  
**Dubai – United Arab Emirates**  
**For the year ended 31 March 2024**

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**MANAGER'S REPORT** *(continued)*

**Approval of the financial statements**

I as a Manager, approved these financial statements.

**Independent auditor**

Bader Saleh Auditing of Accounts, United Arab Emirates has indicated their willingness to continue in office as the independent auditor of the Company.


**Mr. Vincent Dsouza**  
Manager  
22 April 2024



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**ASIAN OILFIELD AND ENERGY SERVICES DMCC**  
Dubai, United Arab Emirates

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ASIAN OILFIELD AND ENERGY SERVICES DMCC ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and any of the applicable provisions of the DMCC Company Regulations No. (1/03) and, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASIAN OILFIELD AND ENERGY SERVICES DMCC (continued)**

**Other Information**

The management is responsible for other information, which comprises the Manager's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements for the year ended 31 March 2024 does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with the audit of the accompanying financial statements, our responsibility is to read the other information identified above and consider whether these are materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appear materially misstated.

If based on the work performed on the other information, we conclude there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements. If such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASIAN OILFIELD AND ENERGY SERVICES DMCC (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

We also confirm that, in our opinion, the financial statements include, in all material respects, the applicable requirements of the DMCC Company Regulations No. (1/03), and the Articles of Association of the Company; proper books of account have been kept by the Company, and the contents of the report of the Manager relating to these financial statements are consistent with the books of account.

We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the DMCC Company Regulations No. (1/03) or of the Articles of Association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

*Bader Saleh*

By: Bader Saleh Ali Mohammad Hall  
Registered Auditor Number: 516

Bader Saleh Auditing of Accounts  
Dubai, United Arab Emirates



23 April 2024

**Asian Oilfield and Energy Services DMCC**  
**Statement of Financial Position**  
**As at 31 March 2024**

	Note	2024 USD	2023 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5	476,712	788,799
<b>Total non-current assets</b>		<b>476,712</b>	<b>788,799</b>
<b>Current assets</b>			
Deposits, prepayments and advances	7	101,676	201,146
Trade and other receivables	8	850,000	5,003,712
Cash at bank	11	78,464	10,935
<b>Total current assets</b>		<b>1,030,140</b>	<b>5,215,793</b>
<b>Total assets</b>		<b>1,506,852</b>	<b>6,004,592</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	1,000,000	1,000,000
Retained earnings/Accumulated loss	13	(484,380)	87,169
Shareholder's current account	14	(319,590)	(531,391)
<b>Total equity</b>		<b>196,030</b>	<b>555,778</b>
<b>Current liabilities</b>			
Trade and other payables	16	1,308,889	3,676,123
Provisions, accruals and other liabilities	17	1,933	1,772,691
<b>Total current liabilities</b>		<b>1,310,822</b>	<b>5,448,814</b>
<b>Total liabilities</b>		<b>1,310,822</b>	<b>5,448,814</b>
<b>Total equity and liabilities</b>		<b>1,506,852</b>	<b>6,004,592</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.

*Vincent Dsouza*



**Mr. Vincent Dsouza**  
 Manager  
 22 April 2024



**Asian Oilfield and Energy Services DMCC**  
**Statement of Comprehensive Income**  
**For the year ended 31 March 2024**

	Note	2024 USD	2023 USD
Cost of revenue	18	(313,996)	(832,370)
Other income	19	6,333	91,642
Selling and marketing expenses	20	-	(996,313)
General and administrative expenses	21	(176,323)	(615,762)
Other expenses	22	(55,694)	(2,382,546)
Finance costs		(31,869)	-
<b>Net loss for the year</b>		<b>(571,549)</b>	<b>(4,735,349)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(571,549)</b>	<b>(4,735,349)</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.

**Mr. Vincent Dsouza**  
 Manager  
 22 April 2024



**Asian Oilfield and Energy Services DMCC**  
**Statement of Changes in Equity**  
**For the year ended 31 March 2024**

	Share capital USD	Retained earnings/Accumulated loss USD	Shareholder's current account USD	Total USD
Balance as at 01 April 2022	(Note 12) 1,000,000	(Note 13) 4,822,518	(Note 14) (1,021,627)	4,800,891
Net loss for the year	-	(4,735,349)	-	(4,735,349)
Net movement in shareholder's current account	-	-	490,236	490,236
<b>Balance as at 31 March 2023</b>	<b>1,000,000</b>	<b>87,169</b>	<b>(531,391)</b>	<b>555,778</b>
Net loss for the year	-	(571,549)	-	(571,549)
Net movement in shareholder's current account	-	-	211,801	211,801
<b>Balance as at 31 March 2024</b>	<b>1,000,000</b>	<b>(484,380)</b>	<b>(319,590)</b>	<b>196,030</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.



**Asian Oilfield and Energy Services DMCC**  
**Statement of Cash Flows**  
**For the year ended 31 March 2024**

	Note	2024 USD	2023 USD
<b>Cash flows from operating activities</b>			
Net loss for the year		(571,549)	(4,735,349)
<i>Adjustments for:</i>			
Provision for employees' end of service benefits		-	1,393
Depreciation	5	312,088	869,451
Impairment of investment		-	13,194
Impairment of amount due from related party		-	1,764,569
Impairment of accounts receivable		-	500,000
Impairment of advance to suppliers		-	600,838
Interest income		-	(91,642)
Impairment of amounts due to customer for contract works		-	76,161
		<u>(259,461)</u>	<u>(1,001,385)</u>
<i>Changes in working capital:</i>			
<i>Changes in current assets:</i>			
Trade and other receivables		4,153,712	2,354,062
Deposits, prepayments and advances		99,470	148,969
<i>Changes in current liabilities:</i>			
Trade and other payables		(2,367,235)	(2,047,487)
Provisions, accruals and other liabilities		(1,770,758)	(21,280)
Cash generated from/(used in) operating activities		<u>(144,272)</u>	<u>(567,121)</u>
Employees' end of service benefits		-	(16,168)
Net cash (used in) operating activities		<u>(144,272)</u>	<u>(583,289)</u>
<b>Cash flows from investing activities</b>			
Movement in due from related party		-	(61,647)
Interest income		-	91,642
Net cash (used in)/generated from investing activities		<u>-</u>	<u>29,995</u>
<b>Cash flows from financing activities</b>			
Shareholder's current account-net movement		211,801	490,236
Net cash generated from financing activities		<u>211,801</u>	<u>490,236</u>
Net increase/(decrease) in cash and cash equivalents		67,529	(63,058)
<b>Cash and cash equivalents at beginning of the year</b>		<u>10,935</u>	<u>73,993</u>
<b>Cash and cash equivalents at end of the year</b>	11	<u>78,464</u>	<u>10,935</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.



## **1 General information**

Asian Oilfield and Energy Services DMCC (“the Company”) was registered on 27 August 2012 as a Free Zone Company with Limited Liability and operates under the Service License No. DMCC-32446 issued by the Dubai Multi Commodities Centre Authority, Government of Dubai, Dubai, United Arab Emirates.

The principal activities of the Company under license are onshore and offshore oil and gas fields services. Management and controls of the Company are vested with the Manager, Mr. Vincent Dsouza.

The registered address of the Company is Unit no. 118, DMCC Business Centre, Level no. 5, Jewellery and Gemplex 2, Dubai, United Arab Emirates.

## **2 Basis of preparation**

### **Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued and adopted by the International Accounting Standards Board (“IASB”) and the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB and the applicable requirements of the DMCC Company Regulations No. (1/03).

### **Accounting convention**

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

### **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in US Dollar (USD), which is the Company’s functional currency.

### **Changes in accounting policies and disclosures**

#### *New and amended standards, and interpretations effective for the first time and applied:*

The following new and revised IFRSs, which became effective for the financial year beginning on or after 1 January 2023, have been adopted in these financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

#### *New standards:*

- IFRS 17 Insurance Contracts

#### *Amendments to existing standards:*

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies; and
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.



**2 Basis of preparation (continued)**

**Changes in accounting policies and disclosures (continued)**

*IFRS 17 Insurance Contracts*

IFRS 17 Insurance Contracts applies to: insurance contracts, including reinsurance contracts, issued by an entity with specified exceptions; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as “a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder”.

In the statement of financial position, an entity is required to measure profitable insurance contracts at the risk-adjusted present value of the future cash flows plus unearned profit for services to be provided under the contract.

IFRS 17 requires an entity to recognise profit from a group of insurance contracts over the period the entity provides services, and as the entity is released from risk. If a group of contracts is or becomes loss-making, the entity is required to recognise the loss immediately.

The Accounting Standard also requires insurance revenue, insurance service expenses, and insurance finance income or expenses to be presented separately.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers. Therefore, the Company carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the financial statements.

*Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

*Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose ‘significant accounting policies’ with ‘material accounting policy information’. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.



**2 Basis of preparation (continued)**

**Changes in accounting policies and disclosures (continued)**

Below are the other amendments and interpretations applied for the first time in 2023, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Accounting standards and amendments issued but not yet effective and not early adopted:

The Company has not applied the following amended pronouncements that have been issued by the IASB but are not yet effective for the financial year beginning on 1 January 2023.

The management anticipates that the amendments will be adopted in the financial statements when they become effective. The Company has assessed, where practicable, the potential effect of all these amendments that will be effective in future periods.

*Amendments to existing standards:*

- Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (effective from 1 January 2024)
- Amendment to IFRS 16: Lease Liability in a Sale and Leaseback (effective from 1 January 2024)
- Amendments to IAS 1: Non-current Liabilities with Covenants (effective from 1 January

Topics covered by these standards/interpretations are either not relevant for the preparations of this set of IFRS financial statements or the Company does not foresee that the application of these standards/interpretations will result in a significant impact on figures and disclosures on the reporting period they will be adopted except in certain cases where it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.



### **3 Summary of significant accounting policies**

A summary of the significant accounting policies, which have been applied consistently in the preparation of these financial statements, is set out below.

#### **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting year; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current. A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as non-current.

#### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to its recoverable amount, being the higher of its fair value less costs to sell and its value in use.

Expenditure incurred to replace a component of an item of property and equipment is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if, appropriate.



**3 Summary of significant accounting policies (continued)**

**Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Financial instruments**

*Classification and measurement of financial assets:*

Financial assets are classified, at initial recognition as measured at (a) amortised cost; (b) Fair Value through Other Comprehensive Income (FVOCI); or (c) Fair Value through Profit or Loss (FVTPL).

a) Financial assets measured at amortised cost (debt instruments):

The Company measures financial assets at amortised cost if (i) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

At the reporting date, the Company's financial assets at amortised cost include deposits, prepayments and advances, trade receivables, due from related party, amounts due from customer for contract work

b) Financial assets measured at FVOCI:

Debt instruments: The Company measures debt instruments at FVOCI if (i) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the reporting date, the Company does not hold any financial assets which are to be classified as debt instruments at FVOCI.

Equity instruments: In case of equity instruments which are not held for trading or designated at FVTPL, the Company may irrevocably elect to recognise subsequent changes in other comprehensive income. This election is made on an instrument-by-instrument basis.

At the reporting date, the Company does not hold any financial assets which are to be classified as equity instruments at FVOCI.

c) Financial assets measured at FVTPL:

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial assets are classified as measured at FVTPL.

At the reporting date, the Company does not hold any financial assets which are to be classified at FVTPL.



**3 Summary of significant accounting policies (continued)**

*Business model assessment:*

The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the frequency, volume and timing of trades of financial assets in prior periods, the reasons for such trades and its expectations about the future trading activity. However, information about trading activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized;
- how the performance of the portfolio is evaluated and reported to the management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows, nor held both to collect contractual cash flows and to sell financial assets.

*Assessments whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal.

In assessing whether the contractual cash flows are solely payments of principal and interest on the outstanding principal, the Company considers the contractual terms of the instruments. This includes assessing whether the financial assets contain a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

*Derecognition of financial assets:*

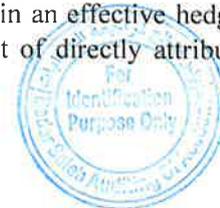
A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired; and (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Impairment of financial assets:*

IFRS 9 replaced the incurred loss model followed under IAS 39 with a forward-looking expected credit loss (ECL) model. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Classification and measurement of financial liabilities:*

Financial liabilities are classified, at initial recognition as measured at (a) financial liabilities at FVTPL; or (b) at amortised cost; or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, wherever applicable.



**3 Summary of significant accounting policies (continued)**

a) Financial liabilities at FVTPL:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

At the reporting date, the Company has not designated any financial liability as at fair value through profit or loss.

b) Other financial liabilities:

After initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisitions and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

At the reporting date, the Company's trade and other payables and provisions, accruals and other liabilities were designated under this category of financial liability.

*Derecognition of financial liabilities:*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

*Offsetting of financial instruments:*

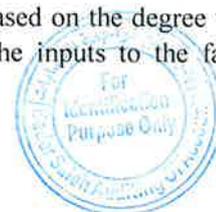
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

*Fair value measurement:*

The Company measures financial instruments, such as investment in securities and hedges, at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:



**3 Summary of significant accounting policies (continued)**

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

**Trade receivables**

Trade receivables are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses. An impairment allowance is calculated using the ECL approach as defined in IFRS 9. Bad debts are written off when there is no possibility of recovery.

**Cash and cash equivalents**

For the purpose of presenting in the statement of cash flows, cash and cash equivalents comprise cash in hand and cash with banks in current accounts.

**Equity**

Ordinary shares are classified as equity. The considerations received are shown in equity after deduction of incremental costs directly attributable to the issue of shares.

**Shareholder's current account**

Shareholder's current account is classified as part of equity to better reflect the nature of the account and its comparability.

**Trade payables**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the required time. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Employees' end of service benefits**

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



**3 Summary of significant accounting policies (continued)**

**Contingent liabilities**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**Revenue recognition**

The Company recognises revenue from contracts with customers based on a five-step model as set out in 'IFRS 15 – Revenue from Contracts with Customers' as follows:

- Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.
- Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

***Revenue from rendering of services***

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

**Finance costs**

Interest expenses that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**Finance income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



**3 Summary of significant accounting policies (continued)**

**Foreign currency transaction and translation**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year-end are translated at exchange rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in statement of comprehensive income for the year.

**Value added tax**

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the financial statements.

**4 Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingencies and commitments at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

**Judgements**

As at the reporting date, management has used the following key judgements that have a significant impact on the financial statements of the Company:

*Revenue from contracts with customers:*

- Satisfaction of performance obligations - The Company assesses each of its contracts with customers to determine whether performance obligations are satisfied over a period of time or at a single point in time in order to determine the appropriate method of revenue recognition.
- Determination of transaction price - The Company determines the transaction price in respect of each of its contracts with customers. In doing so, the Company assesses the impact of any variable consideration, any significant financing component and any non-cash consideration included in the contract.
- Allocation of transaction price to performance obligation in contracts with customers - A transaction price is allocated to each performance obligation on the basis of their stand-alone selling prices. The Company estimates the standalone selling price as a price at which a promised service is sold separately to a customer in the market.
- Transfer of control in contracts with customer - Where the Company determines that performance obligations are satisfied at a single point in time, revenue is recognized when control over the asset is transferred to the customer. Significant judgement is required to evaluate when 'control' is transferred to the customer.



**4 Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions**

The key estimates and assumptions that have a significant impact on the financial statements of the Company are discussed below:

*Useful lives of property and equipment:*

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

*Incremental borrowing rate:*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*Provision for expected credit losses of trade receivables:*

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**5 Property and equipment**

	Plant and machinery USD	Office equipments USD	Motor vehicles USD	Total USD
<i>Cost:</i>				
At 01 April 2022	13,690,558	716,992	139,361	14,546,911
At 31 March 2023	<b>13,690,558</b>	<b>716,992</b>	<b>139,361</b>	<b>14,546,911</b>
Disposals during the year	<b>(12,190,558)</b>	<b>(716,992)</b>	<b>(139,361)</b>	<b>(13,046,911)</b>
<b>At 31 March 2024</b>	<b>1,500,000</b>	-	-	<b>1,500,000</b>
<i>Depreciation:</i>				
At 01 April 2022	12,085,557	663,743	139,361	12,888,661
Charge for the year	820,308	49,143	-	869,451
At 31 March 2023	<b>12,905,865</b>	<b>712,886</b>	<b>139,361</b>	<b>13,758,112</b>
Disposals during the year	<b>(12,184,219)</b>	<b>(723,332)</b>	<b>(139,361)</b>	<b>(13,046,912)</b>
Charge for the year	<b>301,642</b>	<b>10,446</b>	-	<b>312,088</b>
<b>At 31 March 2024</b>	<b>1,023,288</b>	-	-	<b>1,023,288</b>
<i>Net book value :</i>				
<b>At 31 March 2024</b>	<b>476,712</b>	-	-	<b>476,712</b>
At 31 March 2023	784,693	4,106	-	788,799

**6 Investments**

	2024 USD	2023 USD
Investment in company	-	13,194
Reserve for impairment of investments	-	(13,194)
	-	-
Movement in reserve for impairment of investment is as follows:		
Provided during the year	-	13,194
Balance at the end of the year	-	13,194

Investment in company represents subscription to 5% of the paid up capital of M/s Vaan Group and Holdings Limited, Hongkong being 100,000 fully paid up equity shares of HKD 1/- each, totaling to HKD 100,000/- equivalent to USD 13,194/-.

**7 Deposits, prepayments and advances**

	2024 USD	2023 USD
Deposits	<b>3,681</b>	3,681
Prepayments	<b>95,269</b>	152,423
Advance to suppliers	-	605,045
Loans and advance to staff	<b>623</b>	1,898
Other current asset	<b>2,103</b>	38,937
	<b>101,676</b>	801,984
Reserve for impairment of advance to suppliers	-	(600,838)
	<b>101,676</b>	201,146



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**8 Trade and other receivables**

	2024	2023
	USD	USD
Trade receivables	2,925,968	5,503,712
Reserve for impairment of accounts receivable	<u>(2,075,968)</u>	<u>(500,000)</u>
	<u>850,000</u>	<u>5,003,712</u>
Age-wise analysis of accounts receivable is as follows		
Outstanding for more than 6 months but less than 12 months	-	850,000
Outstanding for more than 12 months	<u>850,000</u>	<u>4,653,712</u>
	<u>850,000</u>	<u>7,857,774</u>
Geographical analysis of accounts receivable is as follows		
Due from African countries	<u>850,000</u>	<u>7,857,774</u>
	<u>850,000</u>	<u>7,857,774</u>
Movement in reserve for impairment of accounts receivable is as follows:		
Provided for the year	<u>1,575,968</u>	<u>500,000</u>
Balance at the end of the year	<u>2,075,968</u>	<u>500,000</u>

**9 Related party transactions**

The Company, in the normal course of business, enters into transactions with other entities, which fall within the definition of a related party as contained in International Accounting Standards no. (24). Related parties comprise companies under common ownership and / or common management and control and key management personnel. The management decides on the terms and conditions of the transactions and services received / rendered from / to related parties as well as on other charges.

	2024	2023
	USD	USD
Due from group company	-	1,764,569
Reserve for impairment of amounts due from related party	<u>-</u>	<u>(1,764,569)</u>
	<u>-</u>	<u>-</u>
Movement in reserve for impairment of amounts due from related party is as follows:		
Provided during the year	<u>-</u>	<u>1,764,569</u>
Balance at the end of the year	<u>-</u>	<u>1,764,569</u>

*Terms and conditions of transactions with related parties:*

The balance of each related party is unsecured, interest free and settlement occurs in cash and the balance is repayable on demand by the lender.



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**10 Amounts due from customer for contract work**

	<b>2024</b>	2023
	<b>USD</b>	USD
Project cost incurred to date	-	39,197,755
Recognised profits	-	10,998,018
Contract revenue to date	<u>-</u>	<u>50,195,773</u>
Progress billings	<u>-</u>	<u>(50,119,612)</u>
Amounts due from customers for contract work	-	76,161
Impairment of amounts due from customer for contract work	<u>-</u>	<u>(76,161)</u>
	<u>-</u>	<u>-</u>
Movement in reserve for impairment of amount due from customer for contract works is as below:		
Provided for the year	-	76,161
(Utilised) for the year	<u>-</u>	<u>(76,161)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>

**11 Cash at bank**

	<b>2024</b>	2023
	<b>USD</b>	USD
Cash at bank - in current account	<u>78,464</u>	<u>10,935</u>

**12 Share capital**

The share capital of the Company comprise of 3,675 shares of USD 272 each:

Name of shareholder	%	No. of shares	<b>2024</b>	2023
			<b>USD</b>	USD
M/s Asian Energy Services Limited	<u>100</u>	<u>3,675</u>	<u>1,000,000</u>	<u>1,000,000</u>

**13 Retained earnings**

	<b>2024</b>	2023
	<b>USD</b>	USD
Retained earnings	<u>(484,380)</u>	<u>87,169</u>



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**14 Shareholder's current account**

	<b>2024</b>	2023
	<b>USD</b>	USD
Balance at the beginning of the year	(531,391)	(1,021,627)
Net movement in shareholder's current account	<b>211,801</b>	490,236
Balance at the end of the year	<b><u>(319,590)</u></b>	<b><u>(531,391)</u></b>

**15 Employees' end of service benefits**

	<b>2024</b>	2023
	<b>USD</b>	USD
Balance at the beginning of the year	-	14,775
Provision made for the year	-	1,393
Paid during the year	-	(16,168)
Balance at the end of the year	<b><u>-</u></b>	<b><u>-</u></b>

**16 Trade and other payables**

	<b>2024</b>	2023
	<b>USD</b>	USD
Payable for expenses	<b>29,108</b>	32,200
Payable to sub contractors and service providers	<b>1,247,912</b>	3,643,923
Interest expense payable	<b>31,869</b>	-
	<b><u>1,308,889</u></b>	<b><u>3,676,123</u></b>

**17 Provisions, accruals and other liabilities**

	<b>2024</b>	2023
	<b>USD</b>	USD
Accrued expenses	-	1,600,525
Accrued staff salaries and benefits	<b>1,933</b>	1,834
Other liabilities	-	170,332
	<b><u>1,933</u></b>	<b><u>1,772,691</u></b>

**18 Cost of revenue**

	<b>2024</b>	2023
	<b>USD</b>	USD
Salaries and wages	<b>2,816</b>	6,356
Overseas travelling expenses	<b>2,721</b>	5,502
Insurance expenses	<b>478</b>	204
Depreciation on machinery, tools and vehicles	<b>307,981</b>	820,308
	<b><u>313,996</u></b>	<b><u>832,370</u></b>



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**19 Other income**

	2024	2023
	USD	USD
Miscellaneous income	3,612	-
Liabilities written-off	2,721	29,995
Interest income on amount due from related party	-	61,647
	<u>6,333</u>	<u>91,642</u>

**20 Selling and marketing expenses**

	2024	2023
	USD	USD
Advertisement and business promotions expenses	-	420,152
Impairment of amount due for customer for contract works	-	76,161
Impairment of account receivables	-	500,000
	<u>-</u>	<u>996,313</u>

**21 General and administrative expenses**

	2024	2023
	USD	USD
Office rent*	4,796	4,445
Manager's remuneration and benefits	32,913	51,570
Bank charges	886	3,015
Software and IT enabled expenses	57,171	387,749
Repair and maintenance	4,207	19,092
Communication expenses	1,182	3,334
Fees and charges	68,392	94,634
Office and other expenses	2,669	2,780
Depreciation on other property, plant and equipment	4,107	49,143
	<u>176,323</u>	<u>615,762</u>

\* The Company has elected not to recognize right-to-use assets and corresponding liabilities for short term leases and all the Company's leases are short term.

**22 Other expenses**

	2024	2023
	USD	USD
Foreign exchange loss	365	3,945
Impairment of investment	-	13,194
Other impairment	55,329	-
Impairment of amount due from related party	-	1,764,569
Impairment of advance to suppliers	-	600,838
	<u>55,694</u>	<u>2,382,546</u>



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**23 Financial assets and liabilities**

The financial assets of the Company comprise deposits, prepayments and advances, trade receivables, due from related party, amounts due from customer for contract work and cash at bank. The financial liabilities of the Company include trade and other payables and provisions, accruals and other liabilities. The accounting policies for financial assets and liabilities are set out in note 3.

The following table summarises the carrying amount of financial assets and financial liabilities recorded at the reporting date:

	2024	2023
	USD	USD
<b>Financial assets:</b>		
Financial assets at amortised cost	<u>934,871</u>	<u>5,063,370</u>
<b>Financial liabilities:</b>		
- Other financial liabilities	<u>1,310,822</u>	<u>5,448,814</u>

**24 Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- (a) Market risk;
- (b) Credit risk; and
- (c) Liquidity risk

**(a) Market risk**

Market risk is the risk that the fair value of the financial instrument may fluctuate as a result of a change in market interest rates or the market price due to changes in the credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage their market risk.

The Company is exposed to the following market risk:

- (i) Interest rate risk;
- (ii) Currency risk; and
- (iii) Price risk.

The Company's exposure to the above risks are described below:

**(i) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate exposure mainly concerns financial liabilities. The Company is not exposed to any significant interest rate risk as the Company did not take any loan during the year.

**(ii) Currency risk:**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies.



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**24 Financial risk management (continued)**

**(ii) Currency risk: (continued)**

**Exposure to currency risk**

The financial instrument of the Company is denominated in the functional currency of the Company. Therefore the Company is not exposed to currency risk through fair value or future cash flows of financial instrument as at the reporting date.

**(iii) Price risk:**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all similar financial instruments traded in the market.

At the reporting date, the Company is not exposed to price risk due to the fact it does not hold any financial instrument which falls under this category.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade receivables and bank balances. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024	2023
	USD	USD
Trade receivables	2,925,968	5,503,712
Deposits	3,681	3,681
Advance to suppliers	-	605,045
Loans and advance to staff	623	1,898
Other current asset	2,103	38,937
Bank balances	78,464	10,935
	<u>3,010,839</u>	<u>6,164,208</u>

*Bank balances:*

The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks only.

*Trade receivables:*

The Company monitors outstanding receivables to assess recoverability and establish appropriate allowances for amounts considered doubtful.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding.



**Asian Oilfield and Energy Services DMCC**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2024**

**24 Financial risk management (continued)**

**(c) Liquidity risk (continued)**

The Company's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. The Company limits its liquidity risk by aligning the terms of trade payables with the terms of collection from customers. Further, the shareholder's ensure adequate funds are available as and when required.

The following table summarise the maturity profile of financial liabilities based on the remaining period at the end of reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows:

	Carrying amount USD	Contractual cash flows USD	Less than 1 year USD	More than 1 year USD
<b>As at 31 March 2024</b>				
Trade and other payables	1,308,889	1,308,889	1,308,889	-
Provisions, accruals and other liabilities	1,933	1,933	1,933	-
	<u>1,310,822</u>	<u>1,310,822</u>	<u>1,310,822</u>	<u>-</u>
	Carrying amount USD	Contractual cash flows USD	Less than 1 year USD	More than 1 year USD
<b>As at 31 March 2023</b>				
Trade and other payables	3,676,123	3,676,123	3,676,123	-
Provisions, accruals and other liabilities	1,772,691	1,772,691	1,772,691	-
	<u>5,448,814</u>	<u>5,448,814</u>	<u>5,448,814</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significant different amounts.

**Capital management**

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value. The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current and previous years.

Equity comprise of share capital, retained earnings and shareholder's current account, and is measured at USD 196,030 as at 31 March 2024 (2023: USD 555,778).

**25 Fair value of financial instruments**

Financial instruments comprise financial assets and financial liabilities. The financial assets of the Company comprise deposits, prepayments and advances, trade receivables, due from related party, amounts due from customer for contract work and cash at bank. The financial liabilities of the Company include trade and other payables and provisions, accruals and other liabilities.

The fair values of financial assets and financial liabilities of the Company at the reporting date are not materially different from their carrying values largely due to the nature and short-term maturities of financial instruments.



**26 Contingent liabilities and commitments**

Except for the ongoing obligations which are under normal course of business, there has been no other known contingent liability or commitment on the Company's financial statements as of reporting date.

**27 Events after year end**

***UAE Corporate Tax***

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was published in the official gazette on 10 October 2022 and became effective on 25 October 2022. The Corporate Tax law will apply to taxable persons for financial years beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding AED 375,000. However, there are a number of significant decisions that are yet to be finalised by way of a Cabinet Decision, that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the Cabinet, the Company has determined that the Law is not applicable to the financial year ended 31 December 2023.

The Company is currently in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective once these critical cabinet decisions are issued.

In the opinion of the management, except the matter described above, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of approval of these financial statements, that is likely to affect, substantially the result of the operations or the financial position of the Company.

**28 Going concern**

These financial statements have been prepared on the going concern basis. While preparing the financial statements, the management has made an assessment of the Company's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Company's ability to continue as a going concern.

**29 Approval of these financial statements**

These financial statements have been approved on 22 April 2024.

**30 General**

**Rounding off**

Figures have been rounded off to the nearest USD unless otherwise stated.

**Corresponding figures**

Corresponding figures have been reclassified and rearranged, wherever necessary for better presentation.

